



Memorandum

TO: HONORABLE MAYOR AND CITY
COUNCIL

FROM: Leslye Corsiglia

SUBJECT: CAMBRIAN CENTER PROJECT

DATE: September 12, 2014

Approved

Date

9/12/14

COUNCIL DISTRICT: 9

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL

To provide an updated status on the financing for the Cambrian Center Project (the "Project"), details of which were learned subsequent to the August 18, 2014 staff report.

Reason for Delay

The City Finance team had informed the Borrower that all financing commitments from other financial participants must be received prior to City Council action approving the Series 2014A Notes (the "Notes") and related documents for the Project. Bank of America, N.A. ("BofA"), one of the lenders/Note purchasers, had expected to receive formal loan approval at a committee meeting on Friday, September 5, 2014, prior to the originally scheduled September 9 Council meeting for the Project. On September 5, BofA advised the City Finance team that its committee meeting had been delayed one week. As a result, City staff rescheduled the City Council action to the September 16 Council meeting. BofA now has obtained formal approval. The other lender/Note purchaser, Citibank, N.A. ("Citi") previously obtained formal loan approval.

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Financing Schedule

The financing schedule described in the August 18, 2014 staff report will slip by approximately three weeks. The Notes are now scheduled to pre-close on Wednesday, October 8 and close on Thursday, October 16. The delay is required, in part, for scheduling reasons and, in part, to ensure that all closing conditions of BofA and Citi are met, including final approval from HUD, which is anticipated within one or two weeks. The City will not close the transaction without HUD's approval.

The delayed closing will require an extension from CDLAC. CDLAC staff has advised City staff that it anticipates no problem in providing such an extension.

/s/

LESLYE CORSIGLIA

Director, Housing Department

For questions, please contact Jacky Morales-Ferrand, Assistant Director of Housing at 408-535-3855.